

Settlement Agreement and Mutual Release - Security

EXHIBIT 1

Tech Agreement

AGREEMENT

This Agreement is entered into by Vix Technology (USA) Inc. (the "Contractor") and the Central Puget Sound Regional Transit Authority, King County, Kitsap County Public Transportation Benefit Area, Pierce County Public Transportation Benefit Area, Snohomish County Public Transportation Benefit Area, the City of Everett, and the State of Washington, acting through the Washington State Department of Transportation, Washington State Ferries Division (collectively, the "Agencies"). The Contractor and the Agencies are collectively referred to herein as the "Parties."

Recitals

- A. The Contractor and the Agencies have entered into Contract #229944 ("Contract") to implement the Regional Fare Coordination System ("RFCS").
- B. The Parties have formed a Technical Leadership Committee consisting of IT representatives from the Agencies and the Contractor ("Tech Team") to identify current and emerging technical issues in the RFCS.
- C. The Tech Team has developed a work plan to address and review the most urgent security/PCI issues, hardware upgrades requested by the Agencies, and near term end-of-support issues.
- D. The Contractor and the Agencies agree that this work plan will be implemented as soon as possible but disagree about whether and to what extent the Contractor and/or the Agencies are responsible under the Contract for the Contractor's costs of implementing said plan.
- E. The Parties desire to implement the work plan while they concurrently seek via mediation to resolve their differences and establish an agreed approach to addressing technical and cost issues going forward.

Terms

NOW, THEREFORE, in consideration of the mutual covenants set for the herein, the sufficiency of which is hereby acknowledged, the Parties agree to the above Recitals and the following:

1.0 P-1 Work Plan

1.1 The Tech Team has developed the attached ORCA Priority 1 Remediation Plan ("P-1 Work Plan") that includes seven categories of hardware and software replacements/revisions and related work, a high-level schedule for each category, and estimates of the costs of each category.

1.2 The Tech Team will continue to refine the scope, relative priorities, schedule, and cost estimates of the categories of work in the P-1 Work Plan and, following successful conclusion of Contractors analysis, by February 28, 2014, create a final P-1 Work Plan agreeable to all Parties which shall be deemed incorporated into this Agreement.

1.3 The Tech Team will monitor the implementation of the P-1 Work Plan.

1.4 The Tech Team will continue to work on a more detailed iteration of a longer-term work plan(s) (Priority 2 and 3), developing a scope, schedule, and costs estimates to be presented by January 31, 2014 for Joint Board ("JB") review. This second work plan may address in more detail the longer term issues that may be necessary to catch up the system to the current operating environment. The work plan may also address changes to hardware, web technology, and adapting the code to a new operating system, and may include life cycle maintenance of the system, and changes in fare payment methods.

1.5 The Joint Board will receive regular updates from the Contractor on the progress of the implementation of the P-1 Work Plan.

1.6 The Tech Team members representing the Agencies will report to the Joint Board and inform the Contract Administrator and regional site managers. The Contractor's technical representative on the Tech Team will report to the Contractor's management. The Parties agree that the Contractor's Tech Team member may communicate directly with the Agencies' Tech Team members notwithstanding the requirement of Contract Section 2.1-3.1 that the Contractor "will interact with each Agency solely through the Contract Administrator."

1.7 The JB, through the Contract Administrator, will continue to prioritize and coordinate other planned/routine deliverables requested by the site managers. The Agencies expect that the Contractor will continue to review, accept and complete routine new work under existing practice while the high priority work envisioned by the Tech Team is underway. These deliverables include monthly static text updates and functional updates (website improvements, etc.).

1.8 Each party agrees to provide the appropriate technical staff to develop and implement the P-1 Work Plan, according to the priorities therein. Each party shall, without undue delay, implement and carry out the work assigned to it as detailed in the P-1 Work Plan. In the event the schedule requires revision due to unforeseen delay by either of the Parties, the Tech Team will meet to review the impact and provide an update to the Work Plan for JB review and approval.

1.9 All equipment, software, documentation and other work provided by the Contractor under the P-1 Work Plan shall be covered by the Contract's terms except as otherwise provided in this Agreement.

2.0 Compensation

The Parties agree to the following provisions for Agency payments while the mediation process is pending:

2.1 The Contractor may invoice the Agencies up to 50% of the total price specified in the agreed P-1 Work Plan referred to in Section 1.2 above. The price of hardware that is provided under the P-1 Work Plan shall be determined in the same manner as provided in Contract Section 3.1-31 (i.e. the reasonable material cost plus mark-up of 31.3%)

2.1.1 Up to that 50% cap, the Contractor may invoice the Agencies one month in arrears (along with the standard monthly invoice package) based on actual work completed in a given month, at 80% of that monthly amount with 20% held back in reserve.

2.1.2 The 20% (along with the standard monthly invoice package) held back in reserve can be invoiced upon conclusion of user acceptance testing and deployment of the P-1 Work Plan to Production by the Tech Team.

2.1.3 Provided the P-1 Work Plan has been implemented (conclusion of user acceptance testing) and deployed to Production by the Tech Team, up to \$600,000 of said Agency payments shall be considered guaranteed regardless of the results of the mediation referenced in Section 3.0 below. This provision shall not be construed, however, as an admission by the Agencies or evidence regarding the Contract's meaning in the mediation or any other proceeding. All costs in excess of this \$600,000 amount shall be subject to the mediation process below or other dispute resolution proceedings under the Contract.

3.0 Mediation

3.1 The Parties agree that they will engage in a mediation process for the purpose of attempting to resolve their differences regarding the following issues under the Contract:

- a. whether and to what extent the Contractor and the Agencies are responsible for the Contractor's costs of implementing the Work Plan;
- b. End of Life and related product obsolescence;
- c. security/PCI;
- d. system scale;
- e. responsibility for anticipated future costs; and
- f. other issues upon mutual consent of the Parties.

3.2 These contract issues will be submitted to a mediator through legal counsel for the Contractor and the Agencies, with each Party responsible for its own attorney fees. The costs billed by the mediator will be shared equally between the Contractor and the Agencies. The

mediation will be held in Seattle, Washington. A schedule for the mediation will be agreed upon by the Parties.

3.3 The mediation shall commence no later than February 28, 2014 (or as soon thereafter as the selected mediator is available) and will be conducted separately and independently of the technical process that is outlined above. The Contractor agrees that, a delay or impasse in the mediation will not slow down or stop the technical work and successful commissioning of all work and deliverables under the P-1 Work Plan.

3.4. Mediator Selection:

- A. The legal representatives of the Parties will attempt to mutually decide on a mediator by January 10, 2014. As part of this process, the Contractor and the Agencies will simultaneously exchange written lists of three potential mediators. The Parties will endeavor to agree to use one of the mediators listed on the exchanged lists.
- B. If the Parties cannot so agree, the Parties will attempt to agree to use a mutually agreeable mediator not on the exchanged lists.
- C. If the Parties cannot so agree, each side will nominate one of the three mediators from their respective lists, those two nominees shall within three (3) weeks agree on and appoint a mediator not on either party's list, and such selection shall be binding upon the nominee's acceptance of the appointment.

3.5. The mediator, regardless of how appointed, shall have all of the powers granted to mediators pursuant to LCR 39.1 of the Local Rules of the United States District Court for the Western District of Washington.

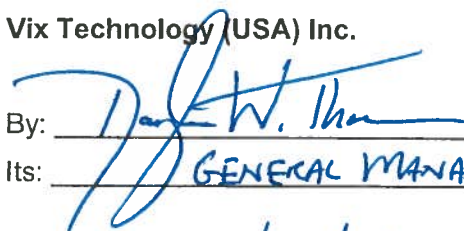
IN WITNESS WHEREOF, authorized representative of the Agencies and the Contractor have signed their names in the spaces provided below.

Vix Technology (USA) Inc.

By: _____

Its: _____

Date: _____


GENERAL MANAGER
10/17/14


The Agencies

By: _____

Their: _____

On behalf of the Agencies

Date: _____


Operations Manager
October 21, 2014